

Dept. Head: Mike Swift 545-4269 \ mas \ 4/22/08
(Type your name & phone #.) (Initials) (Date)

Division Director: Mike Swift 545-4269 \ mas \ 4/22/08
(Type your name & phone #.) (Initials) (Date)

Finance Dept.: Raymond Pipkin 545-4289 \ RP \ 4/23/08
(Type your name & phone #.) (Initials) (Date)

County Attorney: Brian Kuhn 545-4230 \ BK \ 4/23/08
(Type your name & phone #.) (Initials) (Date)

CAO/Mayor: Jim Huntzicker 545-4514 \ JH \ 4/23/08
(Type your name & phone #.) (Initials) (Date)

SUMMARY SHEET

I. Description of Item

The purpose of this resolution is to reduce the number of County employees by encouraging employees of 65 years of age to retire and to reduce our future liability of payment of sick leave at retirement. There are 221 employees over 65 in retirement plans A and B. In addition there is one employee over 65 in retirement plan C who could revert to plan A and retire. To the extent these people would choose to retire on or before June 30, 2008 and a replacement was not hired there would be an average savings of about \$50,000 per person. The actual saving and the impact on each fund will not be determinable until the program is implemented.

Elimination of the pay for unused sick leave at retirement will eliminate to County's liability for sick leave which was approximately \$10 million as of June 30, 2007. In addition, it will reduce the expenditure budget in the proposed FY2009 operating budget by \$423,338 in total and by \$247,932 in the General Fund.

II. Source and Amount of Funding

If all 222 employees retire in accordance with this resolution and are due the maximum amount for sick leave, the total payment would be \$3,501,384. These employees are spread across County government and accordingly the cost would be spread across the various funds of County government. The County is projected to be sufficiently under budget in personnel costs to absorb this cost in fiscal 2008. However, budget adjustments will be necessary as provided for in the resolution.

III. Contract Items

Not Applicable.

IV. Additional Information Relevant to Approval of this Item

A. Administration recommends approval of this resolution.

ITEM # _____

PREPARED BY: Mike Swift

COMMISSIONER: _____

APPROVED BY: 

RESOLUTION AUTHORIZING OFFERING A BUY OUT FOR CURRENT EMPLOYEES
OVER 65 AND ELIMINATING PAY FOR UNUSED SICK LEAVE AT RETIREMENT.
SPONSORED BY COMMISSIONER SYDNEY CHISM.

WHEREAS, The County desires to reduce employment; and

WHEREAS, There are currently 222 employees over 65 in the County Retirement Plans who are eligible to retire; and

WHEREAS, The County has decided to offer employees over 65 an inducement to retire; and

WHEREAS, The County's policy has been to pay employees with salaries under \$60,000 for unused sick leave at retirement up to 75 days at the lower of their rate of pay or \$20,000 annually; and

WHEREAS, The County's estimated liability for unused sick leave to be paid at retirement was approximately \$10 million as of June 30, 2007; and

WHEREAS, The County has decided to eliminate its liability for unused sick leave to be paid at retirement.

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the policy providing pay for unused sick leave at retirement is hereby rescinded as of June 30, 2008 and no payments for unused sick leave shall be made thereafter.

BE IT FURTHER RESOLVED, That any employee over 65 years of age who commits to retire by June 15, 2008 and retires on or before June 30, 2008 shall be paid for unused sick leave in accordance with the terms of County policy prior to the enactment of this resolution.

BE IT FURTHER RESOLVED, That as an additional inducement to retire, any employee over 65 years of age with a minimum of five years of retirement eligible service who retires on or before June 30, 2008 will be paid an additional \$10,000.

BE IF FURTHER RESOLVED, That any payments made under this resolution will be recorded as personnel costs of the fund and organization of the employee who retires and the Mayor and Director of Administration and Finance are authorized to move budget between departments from and operations and maintenance to personnel as necessary to provide for any payments made as provided in this resolution. Should there not be sufficient budget available in any grant, the expenditure shall be recorded in the related general or enterprise fund department.

A C Wharton, Jr.
County Mayor

Date: _____

ATTEST:

Clerk of County Commission